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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017 / 2018

PBU0054 – FUNDAMENTALS OF BUSINESS MANAGEMENT (All Sections)

14 MARCH 2018
9.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **THREE** pages with **FOUR** questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Write your answers in the Answer Booklet.

ESSAYS [100 MARKS]**Instructions: Answer ALL questions. Write your answers in the Answer Booklet.****QUESTION 1**

- a) Diane is excited to open her own restaurant after working as a chef for quite some time. She is concerned that she gets off to a good start. Before the commencement of her business, she spends several weeks setting the business goals. What are the purposes of goal setting? (4 marks)
- b) After a firm has set its goals, it then focuses on strategies to accomplish them. Describe the **THREE** steps involved in strategies formulation. (6 marks)
- c) John has just set up a firm and he is considering about the basis of departmentalisation he should adopt. He needs your advice on the difference between product departmentalisation, functional departmentalisation and customer departmentalisation. (6 marks)
- d) The third building block of organisational structure is the establishment of a decision-making hierarchy. Centralisation and decentralisation are among the key ingredients in establishing the decision-making hierarchy. Discuss the difference between a centralised organisation and a decentralised organisation. (4 marks)
- e) Once a product has been designed, successful materials flows depend on five areas of materials management. What are the **FIVE** areas of materials management that materials managers engage in? (5 marks)

[TOTAL 25 MARKS]**QUESTION 2**

- a) Counterproductive behaviour is one of the basic forms of behaviours that detract from, rather than contribute to organisational performance. Give **FIVE** examples of counterproductive behaviours that can harm the organisation. (5 marks)
- b) Identify and briefly explain the **FIVE** elements that define emotional intelligence (EQ). (10 marks)

Continued...

- c) A major factor in retaining skilled workers is the compensations and benefits system. The compensation and benefits elements include wages, salaries, incentive programmes and benefit programmes. Briefly explain these elements and how do you think these elements help companies attract and keep skilled workers.

(10 marks)

[TOTAL 25 MARKS]

QUESTION 3

You and your friends own a business of home furniture. Below are some marketing related issues that need your immediate attention. Develop specific responses to the following:

- a) Knowing your target market helps you develop effective marketing strategies. In order to identify your target market, you may need to do market segmentation. What is market segmentation? List and briefly explain **THREE** basis that can be used to segment the market.

(7 marks)

- b) What are your pricing objectives? In pricing new products, you have two options. Briefly describe the **TWO** options that are available. Which option would you prefer to price your new product? Why?

(8 marks)

- c) You know very well that the most powerful promotional tools in marketing are advertising, personal selling, sales promotion, publicity and public relation. However, these tools might have different impact in different stages of consumer buying process. List the **FIVE** stages of consumer buying process, and identify the most effective promotional tool at each stage of the process.

(10 marks)

[TOTAL 25 MARKS]

QUESTION 4

- a) Companies typically share their accounting information via financial statement which allows users to understand the financial health and stability of their businesses. List the **FIVE** users of accounting information and briefly explain how they use it.

(10 marks)

- b) Unlike commercial banks, non-deposit institutions use inflowing funds for purposes other than earning interest for depositors. Name and briefly explain **TWO** non-deposit institutions. Provide **ONE** example for each type of non-deposit institutions.

(6 marks)

- c) For many years, individual investors have been told that risk and return are correlated. Briefly describe the risk-return relationship and suggest a way that can help investors to achieve the desired risk-return balance for an investment portfolio.

(3 marks)

Continued...

d) What is debt financing? Name and briefly explain **TWO** examples of debt financing.

(6 marks)

[TOTAL 25 MARKS]

End of Paper